

FY 2014-15: DEPARTMENT OF COMMUNITY HEALTH
Summary: As Passed by the Senate
Senate Bill 763 (S-1)



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	FY 2013-14 YTD as of 2/5/14	FY 2014-15 Executive	FY 2014-15 House	FY 2014-15 Senate	FY 2014-15 Enacted	Difference: Senate From FY 2013-14 YTD	
						Amount	%
IDG/IDT	\$10,056,100	\$9,425,900	\$9,425,900	\$9,425,900		(\$630,200)	(6.3)
Federal	11,620,170,500	11,941,802,500	12,026,645,400	12,046,130,700		425,960,200	3.7
Local	251,820,200	216,656,400	216,656,400	216,656,400		(35,163,800)	(14.0)
Private	126,342,400	127,056,600	127,056,600	127,056,600		714,200	0.6
Restricted	2,178,580,800	2,140,657,600	2,048,623,700	2,034,663,400		(143,917,400)	(6.6)
GF/GP	2,747,583,600	2,938,968,800	3,036,792,800	3,058,969,100		311,385,500	11.3
Gross	\$16,934,553,600	\$17,374,567,800	\$17,465,200,800	\$17,492,902,100		\$558,348,500	3.3
FTEs	3,591.6	3,654.1	3,654.1	3,651.1		59.5	1.7

Notes: (1) FY 2013-14 year-to-date figures include mid-year budget adjustments through February 5, 2014. (2) Appropriation figures for all years include all proposed appropriation amounts, including amounts designated as "one-time." (3) FY 2013-14 Year-to-date figures include appropriation adjustments in 2013, PA 102, and 2013 PA 107 for Medicaid Reform/Healthy Michigan Plan effective March 14, 2014, but based on the waiver, implemented on April 1, 2014.

Overview

The Department of Community Health budget provides funding for a wide range of programs and services which includes behavioral health (mental health and substance use disorder), public health, and medical services programs, including Medicaid. Established in 1996, the Department also includes the Office of Services to the Aging, the Crime Victim Services Commission, and health policy.

Major Budget Changes From FY 2013-14 YTD Appropriations

1. Medicaid Cost Increases

The Executive's Medicaid program cost adjustments include a FY 2014-15 increase of \$141.0 million Gross (\$123.0 million GF/GP) for caseload, utilization, and inflation adjustments in Medical Services, Behavioral Health Services, Children's Special Health Care Services, and the Federal Medicare Pharmaceutical program. It includes a FY 2014-15 FMAP adjustment of \$249,000 Gross (\$79.7 million GF/GP; reduction of \$83.5 million Federal). The House and Senate concur.

	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change
Gross	\$12,525,311,200	\$140,956,900
IDG	6,194,900	143,700
Federal	8,502,877,500	13,866,800
Local	45,970,200	501,600
Restricted	1,892,460,100	3,484,800
Private	2,100,000	0
Merit Awd	81,766,000	0
GF/GP	\$1,993,942,500	\$122,960,000

2. Healthy Michigan Plan

The Executive recommendation includes an increase of \$625.3 million Gross (reduction of \$79.6 million GF/GP) for a full-year of Healthy Michigan Plan implementation. The adjustments reflect changes in Behavioral Health Services, Medical Services Administration, and Medical Services. In Medical Services, the Plan First Family Planning Waiver and Medicaid Adult Benefits Waiver lines are zeroed out and removed. The Medicaid Adult Benefits Waiver line is also zeroed out and removed in Behavioral Health Services. Includes an increase of 36.0 FTEs for administration of the expanded program. The House and Senate concur.

FTE	0.0	36.0
Gross	\$1,549,115,700	\$625,348,100
Federal	1,704,523,500	697,883,600
Restricted	13,145,000	7,058,700
GF/GP	(\$168,552,800)	(\$79,594,200)

3. Family Support Subsidy Program

The Executive proposes a \$1.2 million reduction in TANF revenue supporting the Family Support Subsidy Program anticipating a projected decrease of (0.3%) over the FY 2013-14 appropriated level and an average caseload of 6,809. The program provides \$222.11 monthly payment to income-eligible families with a child under 18 living at home who is severely mentally impaired, severely multiply impaired, or autistic. The House and Senate concur.

Gross	\$19,364,900	(\$1,215,000)
TANF	19,364,900	(1,215,000)
GF/GP	\$0	\$0

Major Budget Changes From FY 2013-14 YTD Appropriations	FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change	
4. Mental Health Jail Diversion Council	FTE	1.0	0.0
The <u>Executive</u> adds \$3.4 million GF/GP to support recommendations of the Mental Health Diversion Council. In accordance with Executive Order 2013-7, the Council was charged with the responsibility of implementing an action plan that improves upon efforts to divert individuals with mental illness and developmental disabilities from the criminal justice system to appropriate treatment. Additional funding of \$2.7 million GF/GP is included in the Department of Corrections and Judiciary budgets. The <u>House</u> concurs. Section 495 is related boilerplate language. The <u>Senate</u> does not concur and includes a \$100 GF/GP placeholder for jail diversion programs.	Gross	\$1,630,000	\$100
	GF/GP	\$1,630,000	\$100
5. Mental Health and Wellness Commission	Gross	N/A	\$200
The <u>Executive</u> adds new ongoing funds of \$10.6 million GF/GP and one-time funds of \$5.0 million GF/GP for implementation of recommendations included in the State of Michigan Mental Health and Wellness Commission 2013 Report. In accordance with Executive Order 2013-6, the Commission was required to make recommendations addressing gaps in the delivery of mental health services and propose new models to strengthen the delivery system in the state. The <u>House</u> concurs and, as a technical adjustment, adds an additional \$22.2 million in federal funds. The <u>Senate</u> does not concur and includes \$200 GF/GP placeholder for ongoing and one-time funding of the Commission's recommendations.	Federal	N/A	0
	GF/GP	N/A	\$200
6. Actuarially Sound Capitation Payment Rates Adjustment	Gross	\$6,945,303,500	\$121,901,400
The <u>Executive</u> proposes a capitation payment rate increase of 2.5% for Health Plans and 1.5% for Prepaid Inpatient Health Plans (PIHPs) to comply with federal requirements that rates for these managed care entities are actuarially sound in FY 2014-15. This adjustment results in an additional \$121.9 million Gross (\$42.0 million GF/GP) for the Medicaid Mental Health Services, Medicaid Substance Use Disorder Services, and Health Plan Services line items. The <u>House</u> and <u>Senate</u> concur. The <u>Senate</u> also adds \$200 GF/GP for an additional increase in capitation rates for Health Plans and PIHPs.	IDG	2,925,900	0
	Federal	4,732,604,900	79,894,100
	Restricted	1,318,458,800	0
	Local	39,086,400	0
	GF/GP	\$852,227,500	\$42,007,300
7. Community Mental Health (CMH) Non-Medicaid Services	Gross	\$130,757,600	\$20,857,300
The <u>Executive</u> increases the funding for the CMH Non-Medicaid Services line item by \$8.0 million GF/GP to reflect a revision in the savings that will be achieved in FY 2013-14 due to implementation of the Healthy Michigan Plan on April 1, 2014 and annualizes those savings in FY 2014-15. The <u>House</u> and <u>Senate</u> concur. The <u>Senate</u> also adds an additional \$4,821,300 GF/GP for CMH non-Medicaid services.	GF/GP	\$130,757,600	\$20,857,300
8. Healthy Michigan Plan – Behavioral Health	Gross	\$288,646,900	\$38,813,700
As technical adjustments to the <u>Executive</u> , the <u>House</u> does not reduce funding for the Healthy Michigan Plan – Behavioral Health line item by \$16.0 million (all federal Medicaid revenue), in conjunction with, recognizing an annualized FY2013-14 revised savings estimate of \$16.0 million for the CMH Non-Medicaid Services line item. In addition, the <u>House</u> and <u>Senate</u> increase the federal Medicaid revenue supporting this line item by \$38.8 million to reflect estimated expenditures consistent with an actuarial analysis.	Federal	288,646,900	38,813,700
	GF/GP	\$0	\$0
9. Fetal Alcohol Syndrome Services	Gross	N/A	\$100
The <u>Senate</u> adds a \$100 GF/GP placeholder for fetal alcohol syndrome services.	GF/GP	N/A	\$100
10. Mental Health Services for Special Populations	Gross	\$8,842,800	\$100
The <u>Senate</u> adds a \$100 GF/GP placeholder for an additional increase in funding for mental health services for special populations.	GF/GP	\$8,842,400	\$100
11. Diabetes Prevention	Gross	\$650,000	\$150,100
The <u>House</u> provides an increase of \$150,000 GF/GP for diabetes prevention projects, as supported by Health and Wellness Initiatives line item funding. The <u>Senate</u> provides a \$150,100 GF/GP increase. Diabetes prevention is also funded at \$1.9 million in the Diabetes and Kidney Program line item.	GF/GP	\$650,000	\$150,100

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change
12. Breast Cancer Screening and Services	Gross	\$0	\$1,000,000
The <u>Senate</u> provides funding of \$1.0 million GF/GP for breast cancer screening and services, as supported by Health and Wellness Initiatives line item funding. Cancer prevention is also funded at \$15.0 million in the Cancer Prevention and Control Program line item.	GF/GP	\$0	\$1,000,000
13. Children's Before- and After-School Healthy Exercise Program	Gross	\$1,000,000	(\$500,000)
The <u>Senate</u> reduces funding by \$500,000 GF/GP for the children's before- and after-school healthy exercise program in the Health and Wellness Initiatives line item. The <u>House</u> makes program changes, revising Sec. 654. The program has been funded since FY 2012-13.	GF/GP	\$1,000,000	(\$500,000)
14. Immunization Registry	Gross	\$2,098,800	\$0
The <u>Executive</u> includes an \$89,300 GF/GP increase in funding for the Michigan Care Improvement Immunization Registry (MCIR). The increase is reflected in the FY 2013-14 YTD amount shown, as appropriated in supplemental Act 102 of 2013. This restores the ongoing budget for MCIR to the FY 2012-13 funding level. The <u>House</u> and <u>Senate</u> concur.	GF/GP	\$2,098,800	\$0
15. Emergency Medical Services (EMS) Program	FTE	23.0	0.0
The <u>Executive</u> provides \$1.0 million GF/GP to replace unrealized state restricted fee revenue from EMS licensure fee increases budgeted in FY 2013-14 that were not subsequently enacted in statute. The <u>House</u> and <u>Senate</u> concur.	Gross	\$6,187,400	\$0
	Federal	908,900	0
	Restricted	4,887,800	(1,006,100)
	GF/GP	\$390,700	\$1,006,100
16. Statewide Trauma System Placeholder	Gross	\$3,500,000	\$100
The <u>Senate</u> includes a \$100 placeholder for increased funding for the statewide trauma system, and adds Sec. 720 to direct funding to statewide systems for trauma, stroke, ST segment elevation myocardial infarction, perinatal, and other time-dependent systems of care.	Restricted	3,500,000	0
	GF/GP	\$0	\$100
17. Michigan Essential Health Provider Loan Repayment Program	Gross	\$2,491,300	\$1,100,000
The <u>Senate</u> provides an increase of \$500,000 GF/GP for the State Loan Repayment Program. Primary care providers practice in health resource shortage areas in exchange for assistance with repayment of medical education loans. The <u>Senate</u> and <u>House</u> concur with the <u>Executive</u> recognizing increased private matching funds revenue of \$600,000.	Federal	1,236,300	0
	Private	255,000	600,000
	GF/GP	\$1,000,000	\$500,000
18. Island Health Clinics	Gross	\$325,000	\$0
The <u>Executive</u> transfers \$325,000 GF/GP for primary care services at island health clinics from a one-time appropriation line item into the existing Primary Care Services line item to establish the funding as ongoing. The <u>House</u> and <u>Senate</u> concur.	GF/GP	\$325,000	\$0
19. Rural Health Care	Gross	\$1,531,500	\$24,000
The <u>Senate</u> provides increased funding of \$24,000 GF/GP for rural health services, as contracted through Michigan Center for Rural Health. The <u>House</u> also provides a \$24,000 GF/GP increase.	Federal	1,380,500	0
	GF/GP	\$151,000	\$24,000
20. Essential Local Public Health Services	Gross	\$39,386,100	\$100
The <u>House</u> provides a \$1.5 million GF/GP funding increase for essential local public health services provided pursuant to the Public Health Code, including immunization, infectious disease control, sexually transmitted disease control, hearing and vision screening for children, food protection, public water and private groundwater supplies, and on-site sewage management. The <u>Senate</u> includes a \$100 placeholder for increased funding for this program.	Local	5,150,000	0
	GF/GP	\$34,236,100	\$100
21. Alzheimer's Disease Pilot Programs	Gross	\$0	\$150,200
The <u>House</u> provides \$150,000 GF/GP for a pilot program in 3 counties of in-home support and care services for persons with Alzheimer's Disease, to extend the period that a person can remain at home and delay the need for residential long term care services, and evaluation. The <u>Senate</u> provides \$150,100 for this pilot, and new related Sec. 1001 boilerplate. The <u>Senate</u> also provides a \$100 placeholder for a new pilot program in Branch County for Alzheimer's Disease services.	GF/GP	\$0	\$150,200

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change
22. Placeholders for Lead Abatement, Smoking Prevention, and Pain Syndrome Education	Gross	N/A	\$300
The <u>Senate</u> provides additional \$100 placeholders for new funding or funding increases for the following: lead abatement, smoking prevention for pregnant women, and pain syndrome education and workgroup (PA 678 of 2006).	GF/GP	N/A	\$300
23. Bone Marrow Donor Registry Tissue Typing	Gross	\$0	\$250,000
The <u>Senate</u> provides \$250,000 GF/GP for tissue typing expenses associated with a bone marrow donor registry "Be the Match" program, and new related Sec. 1141 boilerplate.	GF/GP	\$0	\$250,000
24. Maternal, Infant and Child Home Visiting Care Programs	FTE	0.0	9.0
The <u>Executive</u> increases FTEs and funding to expand home visiting programs for at-risk families including: a) 7.0 FTEs and \$6.0 million of increased funds from federal maternal, infant, and early childhood home visiting program grants, and b) 2.0 FTEs and \$2.5 million GF/GP to expand home visit programs in rural northern Michigan and the Upper Peninsula for families with children, during pregnancy to age 5. The <u>House</u> and <u>Senate</u> concur, but use federal TANF funds rather than GF/GP for the \$2.5 million expansion for which the <u>Senate</u> also adds related new Sec. 1140. The <u>Senate</u> also provides a \$100 placeholder for a funding increase for evidence-based home visiting program support outlined in Sec. 1137.	Gross	\$8,601,400	\$8,526,400
	Federal	6,601,400	6,026,300
	TANF	0	2,500,000
	GF/GP	\$2,000,000	\$100
25. Alternative Pregnancy and Parenting Support Program	Gross	\$700,000	\$1,500,000
The <u>Senate</u> provides an increase of \$1.5 million GF/GP for the alternative pregnancy and parenting support services program outlined in Sec. 1136. The <u>House</u> provides an increase of \$800,000 GF/GP for the program and modifies related Sec. 1136.	GF/GP	\$700,000	\$1,500,000
26. University Autism Centers and Services – One-Time Funding	Gross	\$2,000,000	\$3,500,000
The <u>Executive</u> increases one-time funding for university autism centers and services by \$1.0 million GF/GP and revises grants from 4 universities to 3 universities. Ongoing funding of \$500,000 to Eastern Michigan University is retained and moved from maternal and child health special projects to behavioral health administration in the budget. The <u>House</u> reduces one-time funding by \$500,000, revises grants to 3 universities, updates related boilerplate Sec. 1902; and concurs with the move of the ongoing funds. The <u>Senate</u> concurs with the Executive, restores one-time grants of \$500,000 each to 2 universities, adds \$1.5 million of one-time funding to the Autism Alliance for "autism navigators" to assist families in choosing treatment and services, and modifies Sec. 1902 related boilerplate for the one-time funding.	GF/GP	\$2,000,000	\$3,500,000
27. Child and Adolescent Health Care Pilot – One-Time Funding	Gross	\$0	\$2,000,000
The <u>Executive</u> provides new one-time funds of \$2.0 million GF/GP for a child and adolescent health services pilot, for nursing and behavioral health care in schools provided by mobile health professional teams. The <u>House</u> and <u>Senate</u> concur, but use federal TANF funds rather than GF/GP.	TANF	0	2,000,000
	GF/GP	\$0	\$0
28. Crime Victim Services	FTE	13.0	0.0
The <u>Executive</u> increases funding by \$1.0 million for grants to county prosecutors for training and services for crime victims, with state restricted Crime Victim's Rights Fund monies. Also recognizes federal Victims of Crime Act (VOCA) grant reductions of \$4.1 million for services to crime victims, and \$700,000 for victim compensation. The <u>House</u> and <u>Senate</u> concur.	Gross	\$37,775,200	(\$3,806,100)
	Federal	23,494,800	(4,806,100)
	Restricted	14,280,400	1,000,000
	GF/GP	\$0	\$0
29. Senior Services Expansion and Fund Shift	FTE	40.0	0.0
The <u>Executive</u> provides an additional \$6.0 million GF/GP to increase services for Michigan seniors and eliminate waiting lists, including \$1.0 million to address elder abuse prevention supporting legislation enacted in 2012, \$3.2 million for in-home services, and \$1.8 million for home-delivered meals. Also provides \$400,000 GF/GP for respite care program to replace a \$400,000 shortfall of state restricted funds from the Senior Care Respite Fund. Net reduction of \$661,500 for federal grants is also shown. The <u>House</u> and <u>Senate</u> concur.	Gross	\$94,081,600	\$5,338,500
	Federal	58,154,600	(661,500)
	Private	677,500	0
	Merit Awd	4,068,700	0
	Other	1,800,000	(400,000)
	Restricted	\$29,380,800	\$6,400,000
	GF/GP		

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change
30. Health Insurance Claims Assessment (HICA)	Gross	\$400,000,000	\$0
The <u>Executive</u> recommendation maintains \$400.0 million in state restricted HICA revenue, and assumes that the \$110.0 million shortfall will be resolved through an unspecified legislative action. The <u>House</u> and <u>Senate</u> reduce state restricted HICA revenue by \$110.0 million and replace it with a like amount of GF/GP to address the shortfall.	Restricted	400,000,000	(110,000,000)
	GF/GP	\$0	\$110,000,000
31. Dual Eligibles Savings Restoration	Gross	N/A	\$2,566,200
The <u>Executive</u> recommendation restores savings for dual eligible integrated care in light of revised savings estimates. It reverses a reduction of \$5.3 million Gross (\$1.8 million GF/GP) included last year. The <u>House</u> proposal does not concur, and zero-funds this item. The <u>Senate</u> restores the savings in an amount reduced from the Executive recommendation.	Federal	N/A	1,681,900
	GF/GP	N/A	\$884,300
32. Special Rural Hospital Payment	Gross	\$35,629,500	\$0
The <u>Executive</u> recommendation includes a reduction of \$35.6 million Gross (\$12.0 million GF/GP) for full elimination of rural hospital payments. The <u>House</u> proposal replaces GF/GP with hospital QAAP revenue to allow the payments to continue in the same gross amount. The GF/GP reduction is less than the state restricted revenue increase to account for a change in the regular FMAP rate. The increased QAAP assessment applies to most hospitals, including those receiving rural hospital payments, so net payments to those facilities will be lower than the full gross amount. Additionally, the House proposal includes a shift of \$3.1 million from GF/GP to state restricted revenue for the state retainer share of the assessment (not included in the figures to the right). The <u>Senate</u> continues the full amount of rural hospital payments with GF/GP and federal funds.	Federal	23,629,500	0
	Restricted	0	0
	GF/GP	\$12,000,000	\$0
33. Harper/Hutzel Special Payment	Gross	\$0	\$18,862,500
The <u>Senate</u> includes \$18.9 million Gross (\$6.5 million GF/GP) to continue the Harper/Hutzel special hospital DSH payment.	Federal	0	12,362,500
	GF/GP	\$0	\$6,500,000
34. Healthy Kids Dental Expansion	Gross	N/A	\$15,670,300
The <u>Executive</u> recommendation continues the phase-in of the Healthy Kids Dental program with increased funding of \$15.6 million Gross (\$5.4 million GF/GP). The recommendation expands the program into Kalamazoo and Macomb counties, which will cover an estimated 100,000 children. The <u>House</u> and <u>Senate</u> concur. If this recommendation is funded, remaining counties for future program expansion include Kent, Oakland, and Wayne.	Federal	N/A	10,270,300
	GF/GP	N/A	\$5,400,000
35. Primary Care Rate Increase – Partial Continuation	Gross	\$156,333,300	(\$106,883,500)
The <u>Executive</u> recommendation partially continues a rate increase for primary care providers that was initially introduced in 2013. The rate increase was included temporarily with 100% federal funds from the Affordable Care Act. Full federal payment of the increased rate continues through calendar year 2014, after which states have the option to continue the higher rate at the regular FMAP. The Executive recommendation continues the increased rate with \$75.4 million Gross (\$26.0 million GF/GP) on an ongoing basis. The <u>Senate</u> concurs. The <u>House</u> proposes continuing the increase with \$62.1 million Gross (\$21.4 million GF/GP).	Federal	156,333,300	(80,883,500)
	GF/GP	\$0	\$26,000,000
36. MIChoice – Waiting List Elimination	Gross	\$299,895,900	\$26,177,900
The <u>Executive</u> recommends an increase of \$26.2 million Gross (\$9.0 million GF/GP) to expand the home- and community-based services (MIChoice) program. The recommendation intends to eliminate the program waiting list and serve an additional 1,250 individuals. The <u>House</u> and <u>Senate</u> concur.	Federal	192,309,500	17,157,000
	Local	265,000	0
	GF/GP	\$107,321,400	\$9,020,900
37. PACE Expansion	Gross	N/A	\$0
The <u>Executive</u> recommendation includes a net zero transfer of \$7.7 million from the Long Term Care Services line to the Program for All-Inclusive Care for the Elderly (PACE) line. The <u>House</u> and <u>Senate</u> concur. The transfer will fund program expansion into Genesee, Ingham, and Saginaw counties. In Medical Services Administration, the <u>Executive</u> also recommends the addition of 1.0 FTE and associated funding to assist in administering the expanded program. The <u>House</u> and <u>Senate</u> concur with the increase.	Federal	N/A	0
	GF/GP	N/A	\$0

Major Budget Changes From FY 2013-14 YTD Appropriations		FY 2013-14 Year-to-Date (as of 2/5/14)	FY 2014-15 Senate Change
38. OB/GYN Rate Increase	Gross	N/A	\$18,862,500
The <u>Senate</u> increases OB/GYN payments by \$18,862,500 Gross (\$6,500,000 GF/GP) to align with Medicare payment rates. The <u>House</u> does not include.	Federal	N/A	12,362,500
	GF/GP	N/A	\$6,500,000
39. University Disproportionate Share Hospital Backfill	Gross	\$15,309,000	(\$5,610,800)
The <u>Executive</u> recommends increasing GF/GP by \$5.6 million, ongoing, for the Wayne State Psychiatric Residency program. The increase partially offsets a reduction of \$8.5 million Gross (\$0 GF/GP) in disproportionate share hospital (DSH) payments that are no longer available. The <u>Executive</u> also recommends increasing GF/GP by \$4.1 million, one-time, for the University of Detroit Dental program. The increase partially offsets a reduction of \$6.9 million Gross (\$0 GF/GP) in DSH payments that are no longer available. The <u>House</u> and <u>Senate</u> concur with both.	Federal	10,152,900	(10,152,900)
	Restricted	5,156,100	(5,156,100)
	GF/GP	\$0	\$9,698,200
40. Merit Award Fund Shift – Distressed Communities Assistance	Gross	\$81,766,000	\$0
The <u>Executive</u> recommendation includes a \$17.5 million fund shift to GF/GP to replace a like amount of Merit Award Trust Fund revenue. The recommendation proposes reserving the Merit Award Trust Fund revenue for distressed communities purposes. To avoid a shortfall, this transfer replaces Merit Award funds with GF/GP. The <u>House</u> and <u>Senate</u> concur.	Merit Awd	81,766,000	(17,500,000)
	GF/GP	\$0	\$17,500,000
41. Graduate Medical Education (GME)	Gross	\$4,314,200	\$0
The <u>Executive</u> recommends removing \$4.3 million Gross (\$1.4 GF/GP) in one-time GME funding. The <u>House</u> proposal continues one-time funding for GME at \$2,901,900 Gross (\$1,000,000 GF/GP), contingent on meeting the conditions in boilerplate section 1903. No adjustments are proposed to ongoing GME funds in the Medical Services unit. (Related boilerplate sections 1740, 1846, and 1870 are proposed for removal by the House). The <u>Senate</u> continues the full amount of one-time GME funding from the current year.	Federal	2,864,200	0
	GF/GP	\$1,450,000	\$0
42. School Based Services Backfill	Gross	\$131,502,700	(\$19,400,000)
The <u>Executive</u> recommends a gross reduction of \$19.4 million and a shift of \$12.9 million from federal to GF/GP to recognize reduced savings from school based service program claims. The <u>House</u> and <u>Senate</u> concur. The totals reflect a \$32.3 million reduction in federal revenues resulting from fewer claims reported by schools. The value of those claims are used to draw down federal resources at the regular FMAP rate. The State retains a portion of federal revenues received, which it then cycles back into the Medicaid program, thereby creating a GF/GP savings. The reduction in claims from schools creates the need to replace federal revenues with GF/GP.	Federal	219,171,200	(32,333,300)
	GF/GP	(\$87,668,500)	\$12,933,300
43. Economic Adjustments	Gross	N/A	\$8,789,500
The <u>Executive</u> proposes a net increase of \$8.8 million Gross (\$3.2 million GF/GP) for negotiated salary and wage increase (2.0% ongoing increase plus 0.5% lump sum increase), actuarially-required retirement rate increases, and economic adjustments for worker's compensation, building occupancy, and rent. The <u>House</u> and <u>Senate</u> concur.	IDG	N/A	27,900
	Federal	N/A	2,042,100
	Restricted	N/A	452,700
	Local	N/A	3,018,400
	Private	N/A	4,200
	GF/GP	N/A	\$3,244,200

Major Boilerplate Changes From FY 2013-14

GENERAL SECTIONS

Sec. 204. Benchmarks for New Programs or Program Increases – NOT INCLUDED

House adds new section that requires the following of DCH: report on a list of benchmarks intended to measure the performance or return on taxpayer investment of funds appropriated for a new program or program increase and its associated expenditures by November 1, 2014; and provide an update on the progress of the program and the status of expenditures for the program as measured by those benchmarks by March 1, 2015. Also, expresses Legislature's intent that, beginning with the FY 2015-16 budget, any proposal for a new program or spending increase on existing programs initiated by the Executive or Legislature include a specific list of benchmarks intended to measure the performance or return on taxpayer investment of the program or spending increase. Senate does not include new section.

Major Boilerplate Changes From FY 2013-14

Sec. 251. Childhood and Immunization Rates - NEW

Senate adds new section requiring the Department to develop a plan designed to improve Michigan's childhood and adolescent immunization rates. House does not include new section.

Sec. 252. Appropriations for Healthy Michigan Plan – NEW

Senate adds new language specifying that Part 1 appropriations for the Healthy Michigan Plan (HMP) are contingent upon 2013 PA 107 not being amended, repealed, or otherwise altered to eliminate the HMP. Also specifies that if those actions occur, the remaining funds in the HMP are to be used only to pay previously incurred costs. House does not include new section.

Sec. 253. Generic Peanut Butter – NEW

Senate adds new provision requiring the DCH to provide a cost-benefit analysis of implementing the generic peanut butter purchasing requirement within the Women, Infants, and Children (WIC) program. House does not include new section.

Sec. 282. Uniform Definitions for Administrative Costs/Performance Metrics for Contracts – CURRENT LAW

Requires DCH to establish, among other things, uniform definitions for the reporting of administrative costs by coordinating agencies on substance abuse, Salvation Army Harbor Light, and area agencies on aging and local providers. Executive deletes current law. House revises language in which the Department is required to work with the Department of Technology, Management, and Budget to establish an automated annual metric collection, validation, and reporting process for contracts via the state's e-procurement system. Requires DCH to report the status of this work and a project plan by October 1, 2014. Also, requires the Department to provide a June 30, 2015 report that presents performance metrics on all new or existing contracts at renewal of \$1.0 million or more funded with state general fund/general purpose or state restricted resources. The performance metrics must include, at a minimum, service delivery volumes and provider or beneficiary outcomes. Senate maintains current law.

Sec. 288. Limits Administrative Component of New Contracts – NOT INCLUDED

House adds new section requiring that no less than 90% of a new department contract supported solely from state restricted or general funds and designated for a specific entity for the purpose of providing services to individuals be expended for those services. Senate does not include new section.

Sec. 297. Legacy Costs – NEW

Executive adds new section specifying that the total authorized appropriations for FY 2014-15 legacy costs are \$89,124,600 in which the pension-related legacy costs are estimated at \$49,676,000 and the retiree health care legacy costs are estimated at \$39,448,600. House and Senate concur.

BEHAVIORAL HEALTH SERVICES

Sec. 403. Mental Health Services for Special Populations – CURRENT LAW

Requires DCH to ensure CMHSPs or PIHPs meet with multicultural service providers to develop a workable framework for contracting, service delivery, and reimbursement. Executive revises language in which the Department is required to competitively award grants for mental health services for special populations and ensure each contractor comply with performance related metrics to maintain their eligibility for funding. Also, specifies that the state will not be held liable for any spending above the contract amount. House concurs. Senate maintains current law.

Sec. 502. Fetal Alcohol Syndrome Services – CURRENT LAW

Requires the Department to explore developing an outreach program on fetal alcohol syndrome services and report on efforts to prevent, combat, and reduce the incidence of fetal alcohol syndrome. Executive deletes current law. House adds new subsection requiring the DCH to explore federal grant funding to address prevention services for fetal alcohol syndrome and reduce alcohol consumption among pregnant women. Also, requires the DCH to submit a progress report by April 1, 2015. Senate maintains current law.

PUBLIC HEALTH ADMINISTRATION

Sec. 654. Before- and After-School Healthy Exercise Program – REVISED

Allocates \$1.0 million for a pilot before- and after-school healthy exercise program for children kindergarten through grade 6. Department shall incorporate evidence-based best practices for program model and guidelines. Program goals for participating children are indicated and a 20% match is required of grantees. Department shall seek third party financial support for program. The House revises to a school children's healthy exercise program through grade 8, and no less than ½ of the funds shall be granted for before- and after-school programs. The Senate revises \$1.0 million to \$500,000 related to a Part 1 change.

HEALTH POLICY

Sec. 712. Free Health Clinic Funding – CURRENT LAW

Allocates \$250,000 to free health clinics from the funds appropriated for primary care services, to be distributed equally to each free health clinic. Defines free health clinic. Executive deletes. House and Senate do not concur.

FAMILY, MATERNAL, AND CHILDREN'S HEALTH SERVICES

Sec. 1103. Sexual and Maternal Health Expenditure and Demographics Report – CURRENT LAW

Requires DCH to annually report an estimate of public funds administered by the department for family planning, sexually transmitted infection prevention and treatment, pregnancies, and births, and to report demographics collected by DCH that are voluntarily self-reported by individuals utilizing those services. Executive deletes. House concurs. Senate does not concur.

Major Boilerplate Changes From FY 2013-14

Sec. 1108. Prohibit Use of Pregnancy Prevention Funds for Abortion Counseling, Referrals, Services – CURRENT LAW and Sec. 1119. No Use of Funds to Encourage or Support Abortion Services – CURRENT LAW

Executive revises section 1108 to add family planning agreements, and deletes section 1119. House combines sections 1108 and 1119 as a revised section 1108, and deletes section 1119. The revised House language states that DCH shall not use state restricted or GF/GP funds appropriated in the family planning local agreements or pregnancy prevention program line items for abortion counseling, referrals, or services. Senate makes no changes to current law for Sections 1108 and 1119.

Sec. 1135. School Health Education Curriculum – DELETED

Establishes that if funds become available, provision of a school health education curriculum shall be in accordance with goals of the Michigan Model for Comprehensive School Health Education State Steering Committee; establishes steering committee membership; and requires curriculum materials be made available upon request. Executive deletes. House and Senate concur.

Sec. 1139. Housing Rehabilitation and Hazard Abatement Program Task Force - NEW

Senate adds new section requiring DCH to establish a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies, in collaboration with Department of Human Services and the Michigan State Housing Development Authority; establishes task force membership; and requires a report by March 1, 2015 of recommendations for integrating and coordinating projects to maximize resources while serving more families and achieving better outcomes.

CRIME VICTIM SERVICES COMMISSION

Sec. 1302. Allocation of Funds for Forensic Nurse Examiner Programs – CURRENT LAW

Allocates up to \$200,000 of justice assistance grants line item funds for expansion of forensic nurse examiner programs to facilitate training for improved evidence collection for prosecution of sexual assault. Funds to be used for program coordination and training. Executive deletes. House and Senate do not concur.

MEDICAL SERVICES

Sec. 1503. Healthy Michigan Plan Administration – NOT INCLUDED

House adds a new section requiring the Department to establish an accounting structure in the state system (Michigan administrative information network, or MAIN) to separately track expenditures for administration of the Healthy Michigan Plan. Senate does not include.

Sec. 1764. Actuarially Sound Rates – REVISED

Requires actuarially sound payment rates to Medicaid managed care providers. Senate modifies to require (1) that the Department, when communicating policy changes after federal approval of payment rates, include an economic analysis in all policy bulletins demonstrating that approved rates will not be compromised as a result of the changes, and (2) that the State reimburse Medicaid HMOs for the full amount of all State and federal taxes, including the ACA insurer fee. House maintains current language.

Sec. 1815. Capitation Withhold Limitation – CURRENT LAW

Limits capitation withholds for managed care plans at 0.19%. Executive recommends removing the cap to avoid a conflict with the requirements of P.A. 107 of 2013 (Healthy Michigan Plan enabling legislation). House concurs. Senate maintains current law.

Sec. 1861. Nonemergency Medical Transportation – REVISED

Requires the Department to report on the pilot program for non-emergency medical transportation in southeast Michigan. Executive recommends deletion. House and Senate continue the reporting requirement, but broaden the scope of review to include the efficiency and effectiveness of the nonemergency transportation system, with acknowledgement that the review may be limited based on available data for services provided outside of DCH or its contractor. Accompanying language is proposed for the Department of Human Services (DHS), requiring DHS to provide DCH with data on methods of travel, number of people served, travel distances, number of trips, and trip costs. Adds a subsection requiring a new nonemergency pilot in at least two counties, with priority given to Berrien and Muskegon counties.

Sec. 1866. Rural Hospital Payments – CURRENT LAW

Earmarks an amount of the Part 1 appropriation for special rural hospital payments, and establishes parameters for eligibility, disbursement, and reporting. Executive recommends deletion. House proposal changes the source of the state share from GF/GP to hospital quality assurance assessment program (QAAP) revenue to continue rural hospital payments in the same gross amount, and retains language regarding eligibility, disbursement, and reporting. Senate maintains current law.

Sec. 1870. Graduate Medical Education – REVISED

Directs the Department to collaborate with medical schools and physician groups to establish a GME consortium. Senate revision specifies a MIDocs consortium that will develop residency training programs in primary care and related specialties, with emphasis on program establishment in underserved areas. House does not include.

Sec. 1890. Breast Pump Funding – NEW

Senate includes new language requiring the Department to ensure Medicaid recipients access to breast pumps. Part 1 includes a \$100 placeholder for associated funding. House does not include.

Major Boilerplate Changes From FY 2013-14

Sec. 1892. Transportation Consolidation Workgroup – NEW

Senate includes new language requiring the Department to conduct a joint workgroup with the Departments of Human Services, Transportation, Corrections, and Treasury, as well as legislators, to evaluate consolidation of transportation services for low-income, elderly, and disabled individuals under a single department. House does not include.

ONE-TIME BASIS ONLY APPROPRIATIONS

Sec. 1903. Graduate Medical Education – NOT INCLUDED

House includes new language requiring that, prior to expenditure of \$1.0 million GF/GP and associated federal match appropriated in the One-Time Basis Only Appropriations (Sec. 120), (1) the Michigan Health and Hospital Association and Michigan Association of Medical Education develop a new distribution formula for all ongoing GME resources, and (2) DCH approves the new distribution formula. Clarifies that the existing distribution formula will remain in place until a new formula is approved by the department, and ongoing GME funding will not be impacted by failure to agree on a new formula. This new language replaces GME-related boilerplate sections 1740, 1846, and 1870. Senate does not include.